



Consumer Information Guide:

Health Benefit Plans for Individuals and Small Groups in Massachusetts

**DEVAL L. PATRICK
GOVERNOR**

**TIMOTHY P. MURRAY
CRANE
LIEUTENANT GOVERNOR**

**DANIEL O'CONNELL
SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT**

**DANIEL C.
DIRECTOR**

**NONNIE S. BURNES
COMMISSIONER OF INSURANCE**

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Health Benefit Plans for Individuals and Small Groups in Massachusetts

INTRODUCTION

If you live in Massachusetts and you are age 18 or over, you must have health insurance. This health insurance must be “minimum creditable coverage.” This means that certain benefits must be covered in the plan and there are limits to how much you must pay for services. Until January 1, 2009, any health plan that can be legally sold in Massachusetts is minimum creditable coverage. By January 1, 2009, your plan must certain basic standards.

You will need to show that you have “minimum creditable coverage” when you file your state income tax return each year. This will start with your taxes for 2007. If you do not have health insurance, you may have a penalty on your state income tax. In tax year 2007, you will lose your personal exemption, which will be about \$219 per person. In later years you may pay a penalty of up to half the cost of the least expensive plan available to you for each month that you do not have insurance.

It is important to be sure that you have health insurance under the new law. If you don’t have health insurance or if you want to change your plan, you can buy a health plan from any insurance company that offers plans to individuals and small groups. Many companies in Massachusetts offer one or more health plans with a variety of plan designs and premiums. You can choose the one that best suits your needs.

This guide tells you some of the ways that you can buy a health plan in Massachusetts. It tells you about:

- your rights when you buy a health benefits plan;
- the companies that offer health plans; and
- how to contact these companies to learn more about their health plans.

Keep in mind that Medicare meets your need to have “minimum creditable coverage.” If you have Medicare, you should look at the *Massachusetts Bulletin for People with Medicare* to learn more about health plans that are right for you.

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Am I eligible for individual or group coverage?

You and your dependents may enroll in a health plan for individuals and small groups if:

- you are a resident of Massachusetts; or,
- you are an eligible employee of a small group employer that offers this coverage.

This includes an owner, a sole proprietor or a partner of a partnership.

I can't get health insurance through an employer. What is available to me?

You can buy a health plan directly from a company or through the Commonwealth Health Connector (The Connector). The carriers that sell health plans to individuals are listed here ([link to list](#)).

Directly from a Company

Several companies in Massachusetts offer health plans directly to individuals. You can call the company to learn more about the health plans offered, and you can get an application to join the plan. This list ([link to list](#)) shows the names and phone numbers of companies that offer health plans to individuals.

Through the Commonwealth Health Connector

The Connector is a new state agency that can help you purchase health insurance. The Connector offers several types of health plans:

Commonwealth Choice

You may be able to join a Commonwealth Choice plan if your family income is over 300% of the Federal Poverty Level (FPL). With Commonwealth Choice you have the choice of several health plans offered by several different companies. However, you may not buy a plan through the Connector if your employer offers you a health plan and pays part of the cost. The Commonwealth Choice plans have the "Connector Seal of Approval" This certifies that the plans have good value. Go to www.mahealthconnector.org or call **1-877-623-6765** to learn more about the Commonwealth Choice plans.

Young Adult Health Benefit Plan

The Connector's Commonwealth Choice program includes young adult health plans from several companies. You may be able to join one of these plans if you are a young adult (ages 19 through 26) and you do not have access to health insurance subsidized by your employer. Employer subsidized coverage means that your employer pays at least 33% of the cost of your insurance. Go to www.mahealthconnector.org or call **1-877-623-6765** to learn more about the Young Adult Health Benefit Plans.

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Commonwealth Care

You may be able to join a Commonwealth Care plan if your family income is at 300% or less than the federal poverty level (FPL). Depending on your income, you may need to pay some of the monthly premium for the plan, or the state may cover the full cost. Go to www.mahealthconnector.org or call **1-877-623-6765** to learn more about the Commonwealth Care plans. [Please note that the eligibility criteria for Commonwealth Care are different from those shown for Commonwealth Choice].

I am the owner of a small business, what is available to me?

You can buy a health plan for your small business directly from a company or through the Connector.

Directly from a Company

Several companies in Massachusetts offer health plans directly to small groups. You can call the company to learn more about the health plans they offer. This list ([link to list](#)) shows the names and phone numbers of insurers that offer health plans to small groups.

All of the health plans that are offered to individuals must also be offered to small groups. However, the carrier may have more requirements for a small group. The small group may need to have a certain percentage of eligible employees join the plan. Also, the small group may need to go through an intermediary if it has fewer than 6 eligible employees. An intermediary handles enrollment and collects premiums for the insurance company. See the list ([link to list](#)) of insurance companies to see the ones that require the use of an intermediary.

Through the Commonwealth Health Connector

The Connector also offers the Commonwealth Choice plans to small groups. Commonwealth Choice has a range of health plans offered by several different carriers. The employer chooses one of three benefit levels (gold, silver or bronze) and the employees are able to choose any one of the plans within that benefit level offered by any of the carriers. The Commonwealth Choice plans have the Connector Seal of Approval. This certifies that the plans are a good value. Go to www.mahealthconnector.org or call **1-877-623-6765** to learn more about the Commonwealth Choice plans.

Through a Producer (Broker or Agent)

Producers (also called brokers or agents) may also assist you in selecting and enrolling with a health plan. A Massachusetts producer must be licensed by the Commonwealth of Massachusetts in order to sell, solicit or negotiate insurance. Your premiums will not be higher if you buy a health plan through a licensed producer.

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When can I enroll?

Health plans for individuals and small groups became available July 1, 2007 and you can join at any time. Keep in mind that if you buy a plan and have had a break in your health coverage of more than 63 days, your plan may impose a pre-existing condition limitation of up to six months or a waiting period of up to four months.

Can my insurance application be denied because of my medical history?

No. Carriers CANNOT deny coverage due to your:

- age,
- occupation,
- actual or expected health condition,
- claims experience, the length of your coverage, or
- health.

Companies MAY deny coverage for several reasons including:

- you live outside their service area,
- you have not paid the plan premiums or
- you gave false information on your application or claim forms.

Companies MAY place these limits:

- pre-existing condition limit for up to the first six months of your coverage. This means that for up to six months they will not pay for services related to a health condition that you had before you joined the plan.
- waiting period for up to the first four months of your coverage. During the waiting period, the plan will only pay for emergency services.
- If you had another health plan for up to 63 days before you apply for the new plan, the company must waive or reduce the time of these two limits.

What is a pre-existing condition limitation?

This means that the company will not pay for any services for a condition that you had before your effective date if medical advice, diagnosis, care or treatment was recommended or received in the six months before your effective date.

Genetic information does not count as a pre-existing condition if there is no diagnosis of a condition related to that information. Pregnancy is not a pre-existing condition. Trade Act/Health Care Tax Credit-eligible persons can not have a pre-existing condition limit.¹

¹ Trade Act affected workers are those who have lost their jobs as a result of increased imports or shifts in production out of the United States. If you think you may be eligible, consult the U.S. Department of Labor's Division of Trade Adjustment Assistance (DTAA) for information about requesting certification as a worker adversely affected by foreign trade.

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What is a waiting period?

This is a period of time immediately after your effective date. During this time the plan won't pay for any services except emergency services.

Trade Act/Health Care Tax Credit-eligible persons cannot have a waiting period.

What is covered in the plans?

A health plan will usually pay for:

- emergency care
- hospital stays and doctor visits
- preventive care
- prescription drugs (sometimes).

All insured health plans must include certain benefits that are mandated by Massachusetts law. You may need to pay for a share of the cost of care through deductibles, coinsurance or co-payments.

There are at least four types of health plans. These types of plans are:

- **Health maintenance organizations (HMOs)** - You are only covered for medical care you get from a network of providers, except in the case of emergency or in case covered benefits are not available from an in-network provider. You may need to pick a "primary care physician" (PCP) from the network who will coordinate all of your care with other providers.
- **Preferred provider plans** - You are covered for services you get from either an "in-network" provider or an "out-of-network" provider.
- **Dual Certificate plan** - You are insured under two certificates and have both an HMO and an indemnity plan.
- **Medical plans** - You are covered for services from any covered, licensed providers.

How much will it cost?

Your company will set the premiums based on your age, your industry, the participation-rate for your group (doesn't apply to individuals), participation in wellness programs and tobacco use. The company may also base the premium on the benefits of the plan, where you live, the coverage type - i.e. family or single - and the group size.

You can call any of the companies on the list at the end of this guide to learn more about the health plans offered and the premiums you would pay.

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What about the nongroup coverage I already have?

If you have a nongroup plan right now, it is guaranteed renewable. This means that the company may not cancel your coverage. However, the company may change the benefits in your plan or may cancel all of the policies in effect for that plan. If it does, it must follow federal guidelines and must get the approval of the Division of Insurance.

You should check with your carrier to see if your plan meets the minimum creditable coverage requirements. If it does not, you may want to switch to another plan to avoid a state tax penalty.

Is there any assistance to help me pay for health insurance?

Massachusetts has several programs that may help you get a health plan. Some of these are:

Commonwealth Care

Commonwealth Care is a state subsidized insurance program for those who earn 300% of the federal poverty level or less. The Connector manages Commonwealth Care. It offers a choice of four plans. Call **1-877-MA-ENROLL** or **1-877-623-7773 (TTY)** or visit **www.mahealthconnector.org** for to learn more and to get an application.

Insurance Partnership Program

The Insurance Partnership Program is a state program for small group plans that subsidizes health insurance premiums for the small group and its employees. Call **1-800-399-8285** or visit **www.insurancepartnership.org** to learn more and to get an application.

MassHealth

MassHealth is a comprehensive health insurance program and premium assistance program for parents, children, senior citizens, and persons who are disabled or unemployed. Call **1-800-841-2900** to learn more.

Children's Medical Security Plan

Children's Medical Security Plan is a limited health insurance program for children that provides primary and preventive health care. Call **1-800-531-2229** to learn more.

Medical Security Plan

Medical Security Plan is a state subsidized health insurance plan for people who are receiving unemployment insurance benefits. Call **1-800-914-4455** to learn more.

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Whom should I call for additional information?

If you have general questions about plan options, allowable pricing practices, or health insurance laws, call the Division of Insurance Consumer Services Section at **(617) 521-7794**.

To get a list of health plans offered in Massachusetts, go to Division website, www.mass.gov/doi.

If you think that your health plan has not complied with a law, you can call the Bureau of Managed Care at 617-521-7372, send a fax to 617-521-7773 or send an e-mail to bmc.mailbox@state.ma.us.

Note:

The Division of Insurance does not sell, recommend, promote, or endorse any insurance product, company, or agent. The information in this guide is meant to help you make informed purchasing decisions. Every effort has been made to ensure the accuracy of this information; however, some of the information may be subject to change. This guide will be updated periodically.